

EDI Support Services

Billing Third Party Liability (TPL) Claims Electronically Using PC-ACE Pro32

Understanding Third Party Liability (TPL)

What is a TPL Claim?

In some situations, a patient may have another insurance, which will always be billed prior to Medicaid (Medicaid is the payer of last resort).

Before a TPL claim can be sent to Medicaid, certain information from the Primary payer's remittance advice is **required** to be sent in the claim.

Why Submit TPL Claims Electronically?

Several healthcare providers submit their TPL claims on paper. The common misconception is that these claims need to be submitted on paper so that the remittance from the primary payer can be submitted with it. That is the nice thing about billing TPL claims electronically; Medicaid does not need a copy of the primary payer's remittance. The information submitted on the claim is used for processing, and cross-referencing the remittance is no longer needed.

There are a couple of fields that are needed for submitting a secondary claim to EDI Support Services (EDISS). With this basic information, your third party liability claim will be processed as a secondary insurer.

If your software is not capable of billing TPL claims electronically, EDI Support Services offers PC-ACE Pro32 for this functionality.

Locating the Required Data for TPL

As previously mentioned, there are a few pieces of data that are needed to submit a TPL claim for processing. Sometimes the difficult part of sending these types of claims electronically is knowing where to find the data on the primary payer's remittance advice. Because the healthcare industry does not yet have standard codes used by all payers to indicate payment, patient responsibility, or miscellaneous coverage, each payer uses their own codes to indicate which payer is responsible for what coverage when it comes to billing the secondary payer.

The use of non-standard codes limits EDISS' ability to read or interpret other payers' remittances. However, EDISS can assist you with collecting the

In this document:

- Understanding Third Party Liability (TPL)
- Billing TPL Claims Using PC-ACE Pro32
- Entering claim data for TPL claims

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information by indicating which fields are needed to process the Secondary claims so you can contact the primary payer for assistance in identifying the data on the primary payer's remittance.

TPL Terminology

Co-payment: This is the amount paid for each medical service, such as a doctor's visit. A co-payment is usually a set dollar amount you pay for a service.

Deductible: The amount you must pay for health care costs prior to the insurance company making a payment.

Insurance Type: Medicaid Secondary Payer "Reason Code" used to identify the type of insurance policy. This value must be correct or your claim will deny.

PC-ACE Pro32: EDI Support Services' free/low-cost billing software. Providers can use PC-ACE Pro32 to create and submit electronic claims, view and print Electronic Remittance Advices, and create batch requests for eligibility and claim status.

Primary Paid: The actual amount paid by the payer for a service line under the provisions of the contract.

Primary Payer: An insurance policy, plan, or program that is first in line to pay on a claim for medical care.

Provider: A hospital, health care professional, or healthcare facility.

Secondary Payer: An insurance policy, plan, or program that is second in line to pay on a claim for medical care.

Third Party Liability (TPL): Any situation where another payer or insurance pays medical bills before Medicaid.

Billing TPL Claims Using PC-ACE Pro32

If you use PC-ACE to bill your third party liability claims, you only need to be aware of the fields in the software that are required to be completed. PC-ACE Pro32 will create a compliant ANSI X12 file that can be submitted to EDISS electronically.

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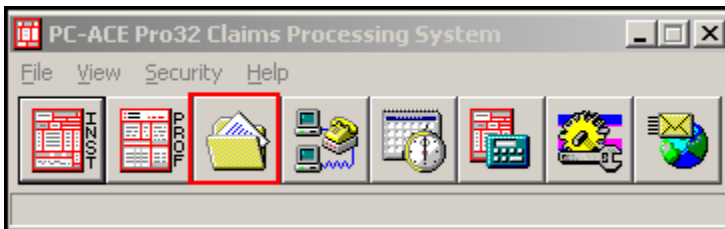
Setting Up Trading Partner Information

I. Submitter Set up

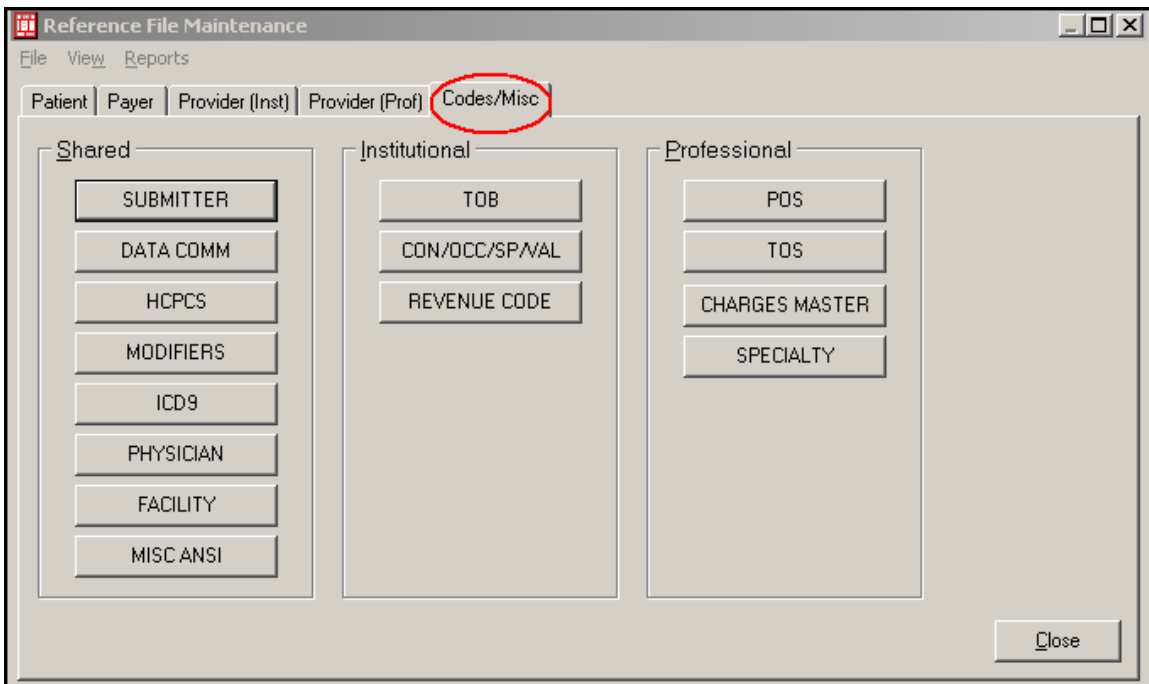
You will need to update PC-ACE with the specific submitter information assigned by EDISS. This information would have been faxed when EDISS initially set your office up for testing.

Complete the following steps to create a 'Submitter' record:

Step 1: Select 'Reference File Maintenance' from the PC-ACE main toolbar.

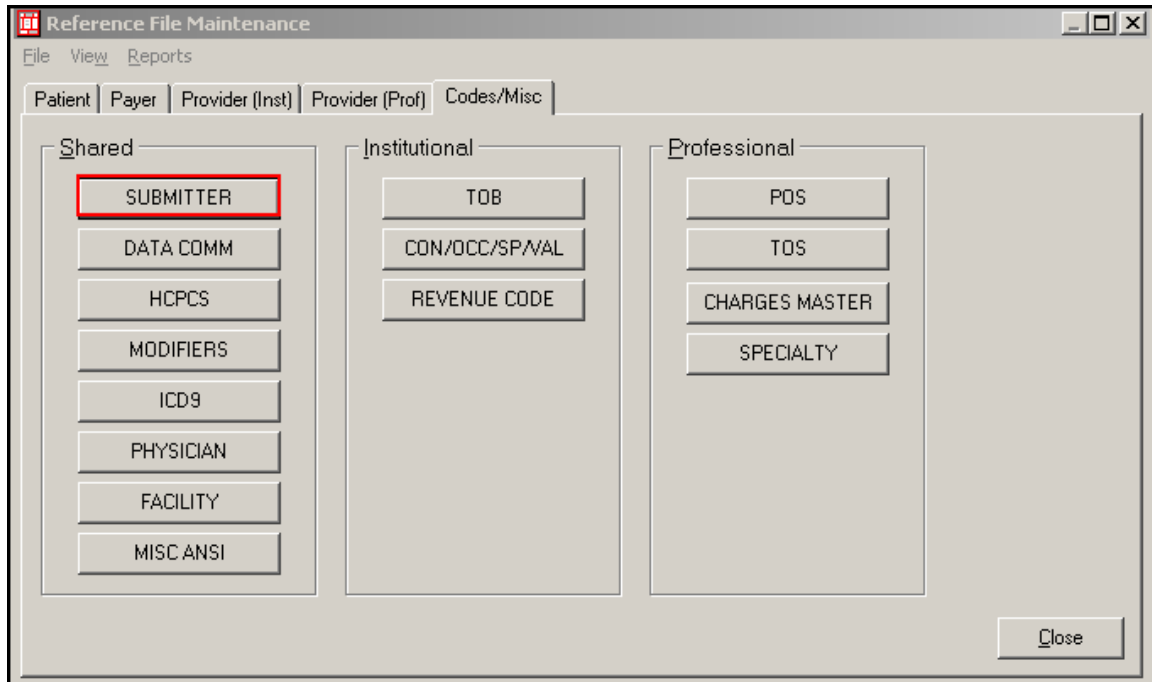


Step 2: Select the 'Codes/Misc' Tab from the Reference File Maintenance screen that appears.



Step 3: Select the 'Submitter' button on the left at the top of the list of Reference Files on the 'Codes/Misc' tab.

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PC-ACE will only allow for **one Trading Partner ID (Submitter ID)** to be entered into the program.

Step 4: Select the **example provided** to highlight it.

Step 5: Select **'view/update'** from the bottom of the window

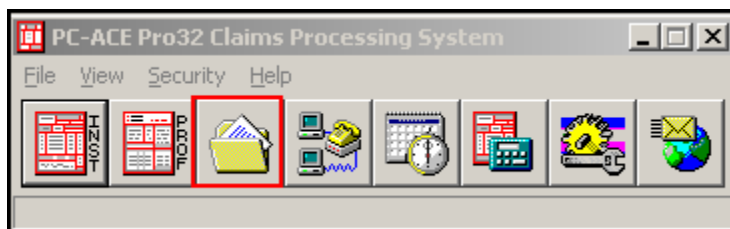
Step 6: **Update** all fields with information pertaining to your facility.

II. Payer File Setup

You will need to create a 'Payer' record for **each** insurance company/benefit that your patients have as **PRIMARY** plans. Anytime you need to report insurance coverage other than Iowa Medicaid, a 'Payer' record must exist for the plan before entering patient data and claim information.

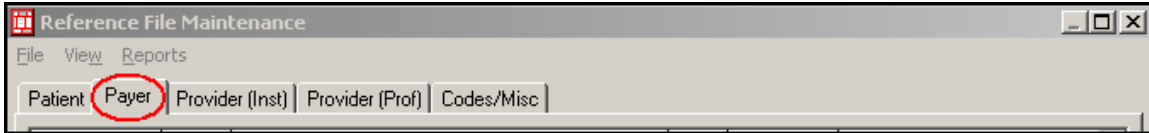
Complete the following steps to create a 'Payer File' record for a primary or secondary insurance plan/benefit:

Step 1: Select 'Reference File Maintenance' from the PC-ACE main toolbar.



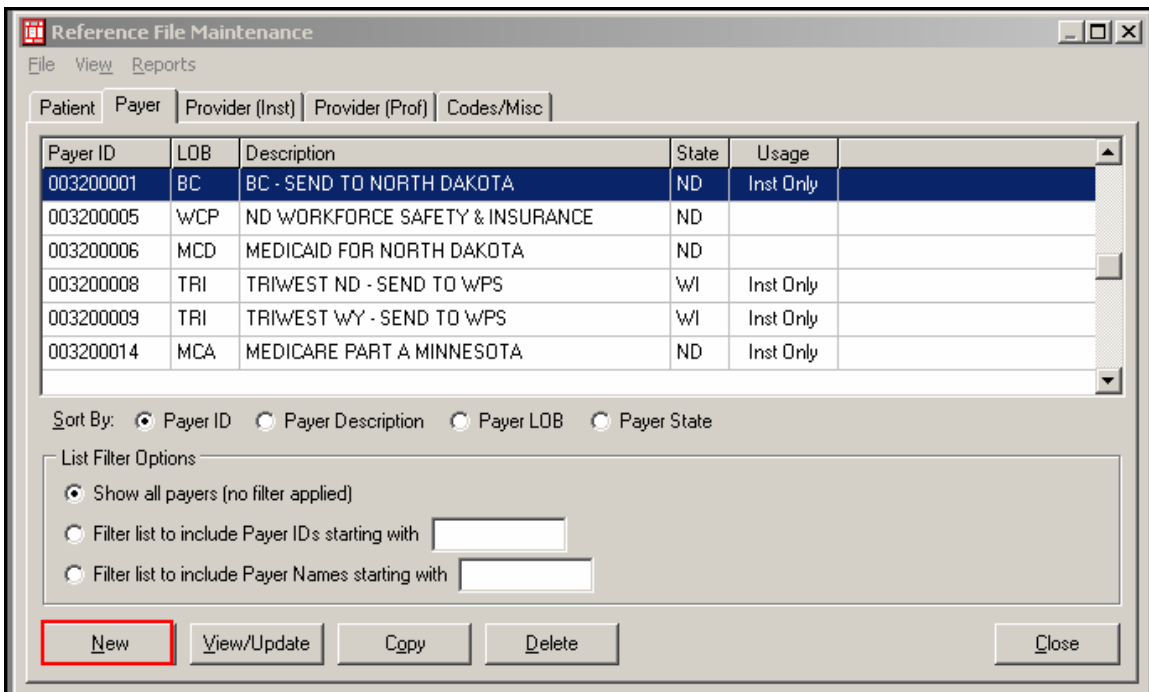
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Step 2: Select the 'Payer' tab from the Reference File Maintenance screen.



A list of 'Payer' records that have already been added to the file will be displayed.

Step 3: Select 'New' at the bottom of the Payer list.



Step 4: Complete the following fields on the 'Payer Information' screen:

- **Payer ID Field** – Required

Type the 'Payer ID' assigned to this Payer.

If you cannot locate the Payer ID press <F1> for more information.

- **LOB Field (Line of Business)** – Required

Right-click or select <F2> while your cursor is in the field to obtain a list of valid values.

- **Full Description Field** – Required

Type the 'Payer' (Insurance Plan/Benefit) name.

- **Address/City/State/Zip Fields** – Optional

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While this information is not required, EDISS does recommend entering it, if known.

- **Contact Name/Phone/Ext/Fax Fields** – Optional

Type the name and telephone/fax number(s) if known.

- **Source & Edit Ind Field** – Required

Right click or select <F2> while your cursor is in this field to obtain a list of valid 'Source' values. Select the most appropriate value for this payer from the list provided.

- Usage Field – Leave Blank-Optional

This field can be left blank or populated with a 'B'.

Step 5: Once you have completed all of the required 'Payer Information' fields, select on 'Save'.

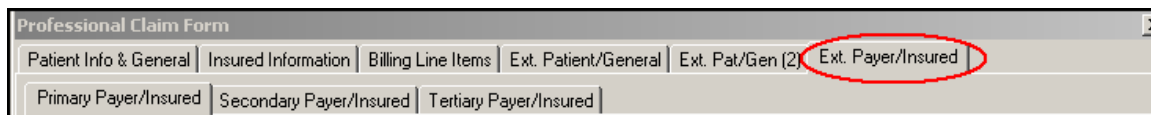
The validation feature in PC-ACE Pro32 will determine if there are any fields that need to be corrected. If you do encounter errors they must be fixed before using this payer. If changes need to be made to the payer record after entering the information, simply select the payer from the list and select view/update.

Entering Claim Data for TPL Claims

**When entering a new claim for a patient with insurance primary to Medicaid, you will need to enter a 'Y' in the 'COB' field on the 'Patient Info and General' tab.

**When entering a new claim for a patient with insurance primary to Medicaid, you will need to enter the primary insurance information in the first line in the 'Insured Information' tab and the information for Medicaid in the second line.

**When you enter TPL claim data, you need to access the 'Extended Payer/Insured' tab to enter the primary payment information.



The screenshot shows the 'Professional Claim Form' interface. The top row of tabs includes 'Patient Info & General', 'Insured Information', 'Billing Line Items', 'Ext. Patient/General', 'Ext. Pat/Gen (2)', and 'Ext. Payer/Insured'. The 'Ext. Payer/Insured' tab is highlighted with a red circle. Below this row, there are three more tabs: 'Primary Payer/Insured', 'Secondary Payer/Insured', and 'Tertiary Payer/Insured'.

From the 'Extended Payer/Insured' tab, select the 'COB Info (Primary)' tab

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Professional Claim Form

Patient Info & General | Insured Information | Billing Line Items | Ext. Patient/General | Ext. Pat/Gen (2) | Ext. Payer/Insured

Primary Payer/Insured | Secondary Payer/Insured | Tertiary Payer/Insured | **COB Info (Primary)** | COB Info (Secondary)

Common Payer MSP Information

Allowed: 0.00 (1)

Paid: 50.00 (2)

Insurance Type: 47 (2)

Disallowed Cost: 0.00

Disallowed Other: 0.00

Deductible: 0.00

Co-Insurance: 0.00

OTAF: 0.00 (3)

Zero Payment Ind: N (3)

Adjudication Ind: 02 (4)

Additional Adjustment / COB Amounts / MDA Information (ANSI-837 Only)

Claim Level Adjustments (CAS)

Num	Group	Reason	Amount	Units	Num	Code	Amount
1					1		
2					2		
3					3		

Medicare Outpatient Adjudication (MOA) Remarks Codes

Claim Adjudication Date: 06/25/2008 (5)

Save Close

1. In the Paid field, indicate the dollar amount the primary payer paid if applicable.
2. In the Insurance Type field, right-click and select the appropriate option.
3. In the Zero Payment Ind field, right-click and select “Z” if the primary payer does not pay. Select “N” if the primary payer did pay.
4. In the Adjudication Ind field, right-click and select the appropriate choice (most often it will be “02” for “non-covered benefits”).
5. In the Claim Adjudication Date field, enter the date that you are transmitting the claim.

Select ‘Save’.